

To whom it may concern:

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Notice of Revised Earnings Forecast and Extraordinary Loss

Sumitomo Bakelite Co., Ltd announces that the following revisions to its consolidated and non-consolidated earnings forecast as well as an extraordinary loss for the fiscal year ending March 31, 2009. These replace the previous forecast announced on October 30, 2008.

1. Revised earnings forecast for fiscal year ending March 31, 2009 (April 1,2008 through March 31,2009)

<Consolidated>

	Net Sales (Millions of yen)	Operating Income (Millions of yen)	Ordinary Income (Millions of yen)	Net Income (Millions of yen)	Net Income per Share (Yen)
Previous forecast (A)	230,000	8,500	10,500	6,800	27.37
Revised forecast (B)	214,300	2,100	4,200	(1,280)	(5.14)
Amount of change (B-A)	(15,700)	(6,400)	(6,300)	(8,080)	—
Rate of change (%)	(6.8)	(75.3)	(60.0)	—	—
(Reference) Actual results for the fiscal year ending March 31, 2008	225,252	9,026	9,739	2,191	8.40

<Non-Consolidated>

	Net Sales (Millions of yen)	Operating Income (Millions of yen)	Ordinary Income (Millions of yen)	Net Income (Millions of yen)	Net Income per Share (Yen)
Previous forecast (A)	120,000	900	5,200	3,900	15.70
Revised forecast (B)	104,900	(3,800)	2,300	(500)	(5.01)
Amount of change (B-A)	(15,100)	(4,700)	(2,900)	(4,400)	—
Rate of change (%)	(12.6)	—	(55.8)	—	—
(Reference) Actual results for the fiscal year ending March 31, 2008	119,379	1,462	5,037	3,986	15.27

2. Reasons for the revisions

As a result of the following backgrounds, it is expected that net sales, operating income, ordinary income and net income will fall below those in the previous earnings forecast.

- (1) In the midst of the global recession with real economy undermined by current financial crisis, both semiconductor market and automotive market -Sumitomo Bakelite Group's main business environments- will not recover in the foreseeable future.
- (2) A loss on devaluation of investment securities and a loss on devaluation of affiliated companies' securities were recorded at the end of fiscal 3rd quarter.
- (3) An extraordinary loss such as loss on retirement of fixed assets and impairment loss on fixed assets is expected to be recorded at the end of fiscal 4th quarter.

* The above forecasts are based on the definite assumptions that Sumitomo Bakelite Co.,Ltd deemed reasonable at the time of preparing this notice. Actual results may differ from these forecasts due to various factors such as business environment.

3. Recording of an extraordinary loss

Sumitomo Bakelite Co.,Ltd records an extraordinary loss of 965 million yen in connection with the restructuring of its North American subsidiaries' business operation - such as elective retirement program to optimize their production system - for the 1st to 3rd Quarter of fiscal year ended March 31,2009.

End